

PRESS RELEASE

CONSUMER PRICE INDEX AND INFLATION

9 September 2020



GHANA
STATISTICAL SERVICE

In this release, we present:

- Definition and Measurement of Consumer Price Index (CPI) and rate of inflation
- CPI and rate of inflation for August 2020
- Core Inflation as a result of COVID-19 associated volatilities in prices
- Dominant Divisions of inflation for August 2020
- Disaggregation of August 2020 rate of inflation
- Highlights of CPI and rate of inflation for August 2020

Definition and measurement of CPI and rate of inflation (1/3)

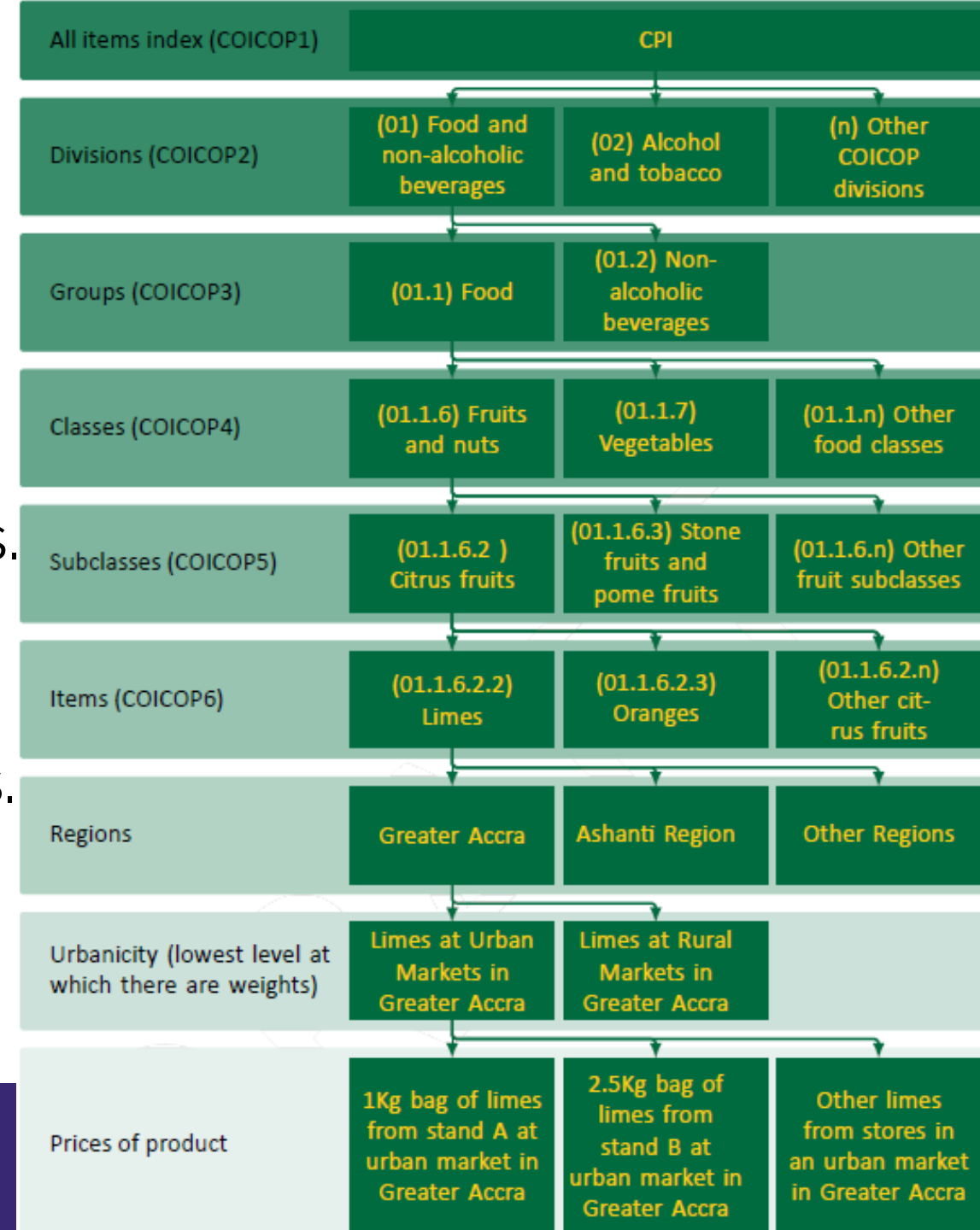
- CPI measures changes in the price of a fixed basket of goods and services purchased by households
- The assumption is that the basket is purchased each month, hence as price changes each month, the total price of the basket will also change
- The rate of inflation is the relative change in CPI between periods
- Inflation is reported year-on-year (annual inflation) and month-on-month (monthly inflation), and granulated to determine regional and commodity type and source of inflation

Definition and measurement of CPI and rate of inflation (2/3)

- CPI does not measure price levels
- CPI is a price perspective measure and cost-of-living index is an expenditure oriented measure
- Data (market readings) are captured monthly
- Key variables are prices, quantities and expenditure weights of items
- Price reference year is 2018 (2018 = 100)

Definition and measurement of CPI and rate of inflation (3/3)

- Prices are collected for approximately 39,500 products every month.
- Price collection is done in 44 markets
- Prices are collected from 7,726 outlets.
- Products are ordered in a hierarchy of 307 Items, 156 Subclasses, 98 Classes, 44 Groups, and 13 Divisions.
- Every Item can only be part of one Subclass, and every Subclass can only be part of one Class, etc.



CPI and inflation for August 2020

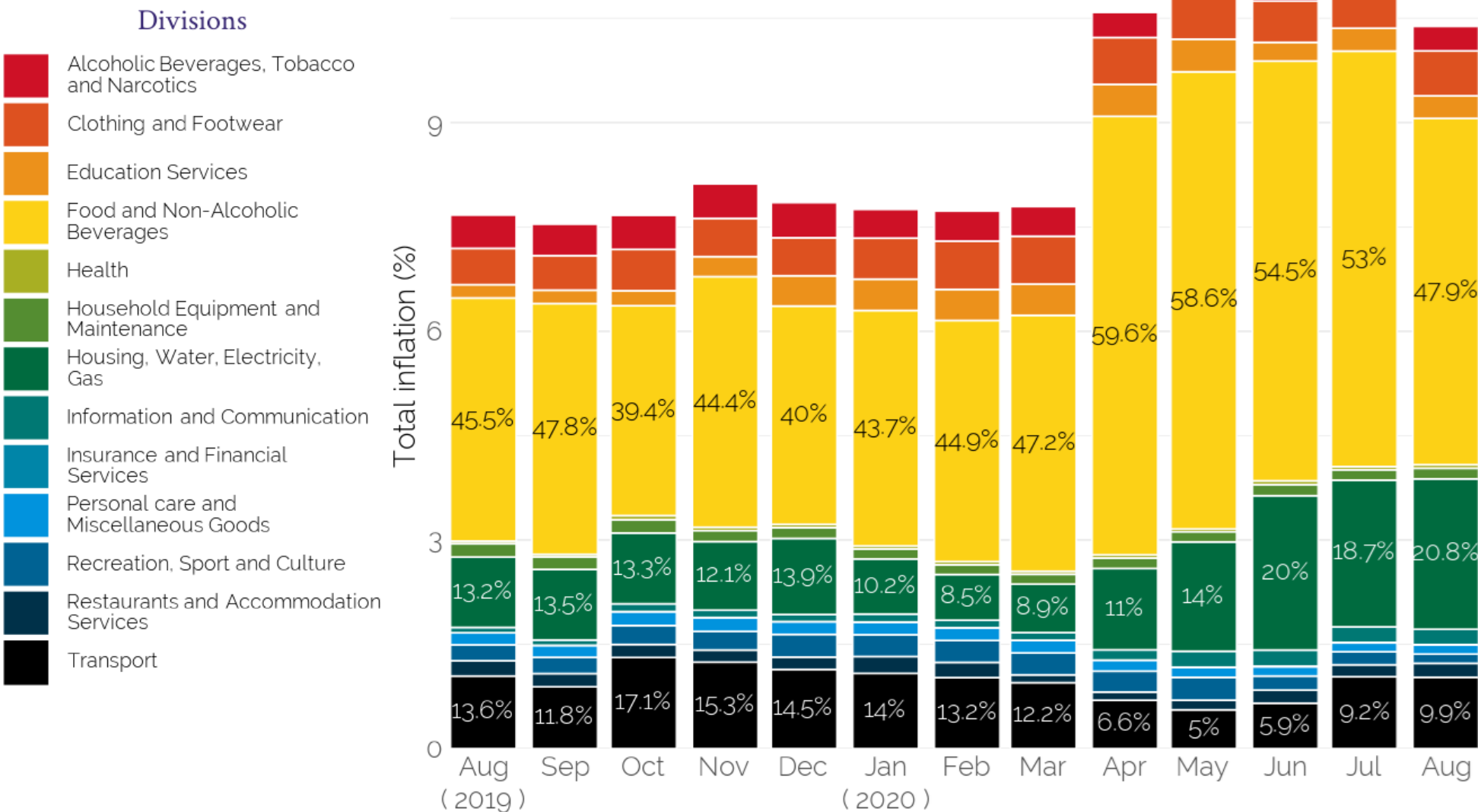
- CPI for August 2020 was 120.0 relative to 120.5 in July 2020
- Year-on-year inflation rate for August 2020 was 10.5%
- This means that in the month of August 2020 the general price level was 10.5 % higher than in August 2019
- Month-on-month inflation between July 2020 and August 2020 was -0.4%

Month	CPI	Inflation	
		Monthly	Yearly
Aug - 2019	108.6	-	7.8%
Sep - 2019	108.5	0.0%	7.6%
Oct - 2019	109.0	0.4%	7.7%
Nov - 2019	109.7	0.7%	8.2%
Dec - 2019	110.0	0.3%	7.9%
Jan - 2020	111.6	1.4%	7.8%
Feb - 2020	112.1	0.4%	7.8%
Mar - 2020	113.0	0.8%	7.8%
Apr-2020	116.6	3.2%	10.6%
May-2020	118.6	1.7%	11.3%
June-2020	119.8	1.0%	11.2%
July-2020	120.5	0.5%	11.4%
Aug - 2020	120.0	-0.4%	10.5%

Core Inflation as a result of COVID-19 associated volatilities in prices

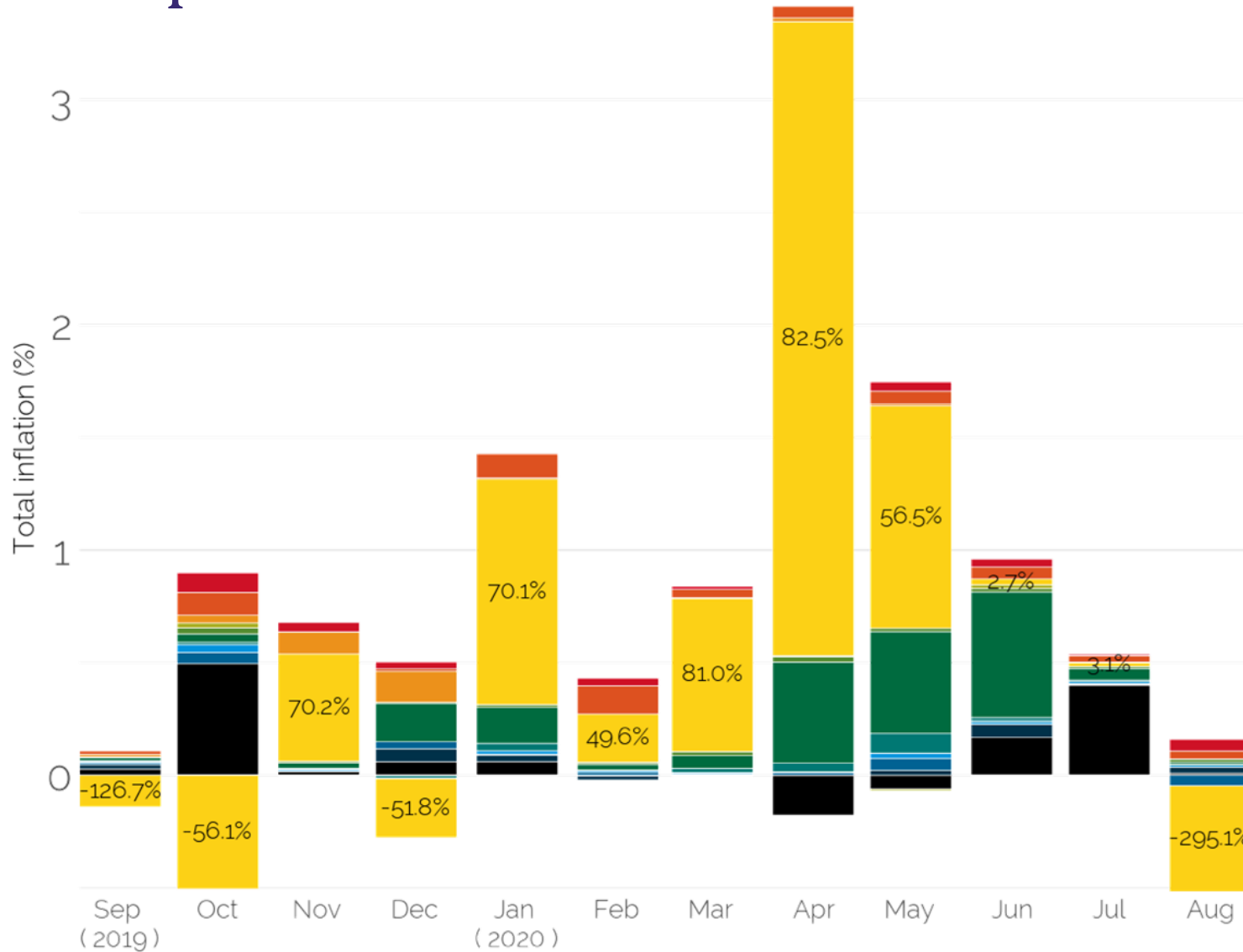
- Core inflation is a measure of inflation designed to minimize the effects of sudden price changes. These changes are mostly influenced by month-on-month unexpected drops and surges of prices of certain volatile goods and services. GSS does this by eliminating volatile products such as Food Items, Energy and Utility from the index calculation.
- In August 2020 the core inflation was 9.4%.
- Last month core inflation was 9.3%.

Composition of year-on-year inflation



- Food contributed 47.9% to the year-on-year inflation in August 2020.
- This is only slightly higher than in the months prior to COVID-19.

Composition of month-on-month inflation

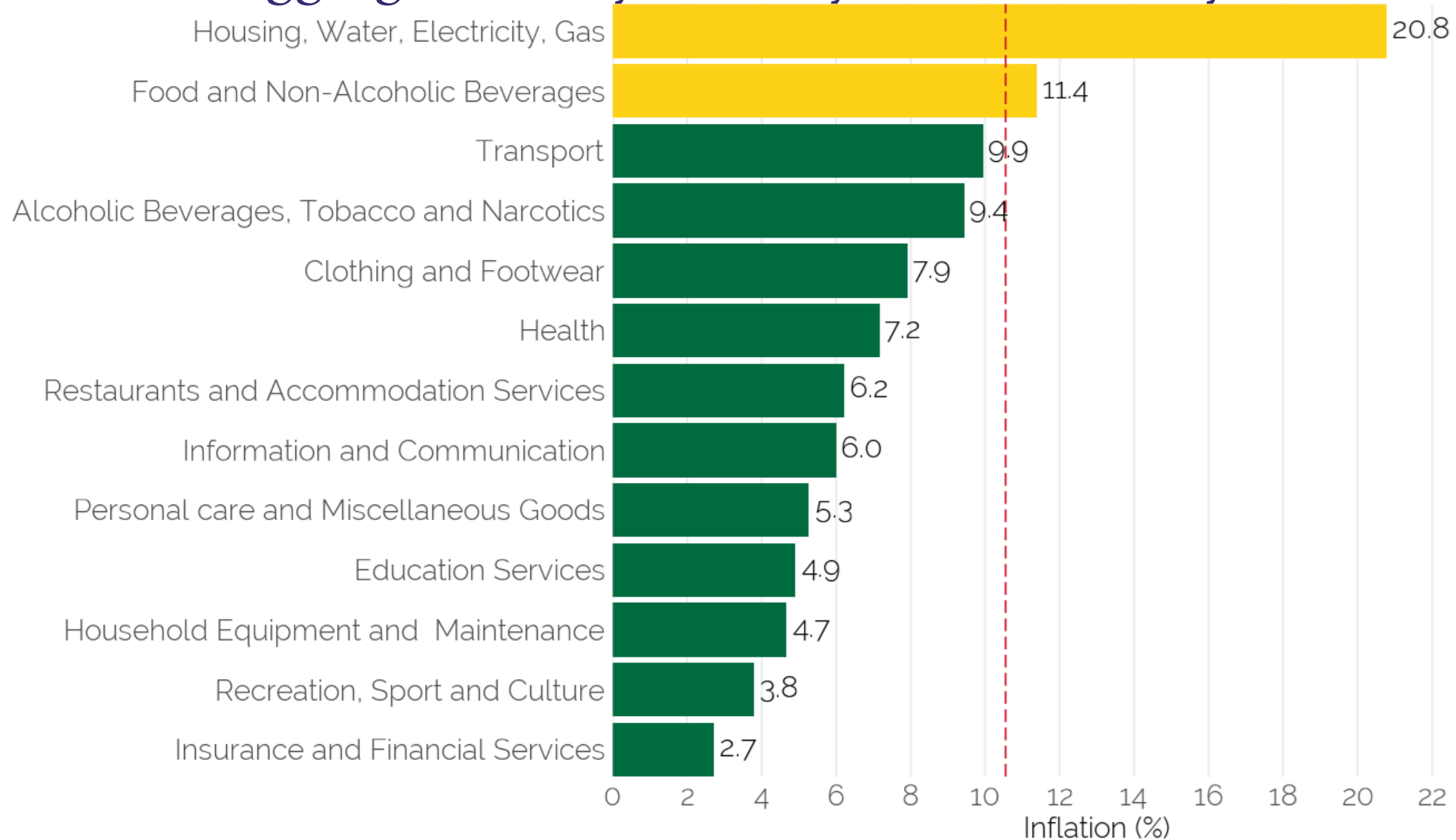


- Month-on-month inflation was -0.4%
- This is predominately driven by negative month-on-month Food inflation (-1.1%)

Disaggregation of August 2020 rate of inflation

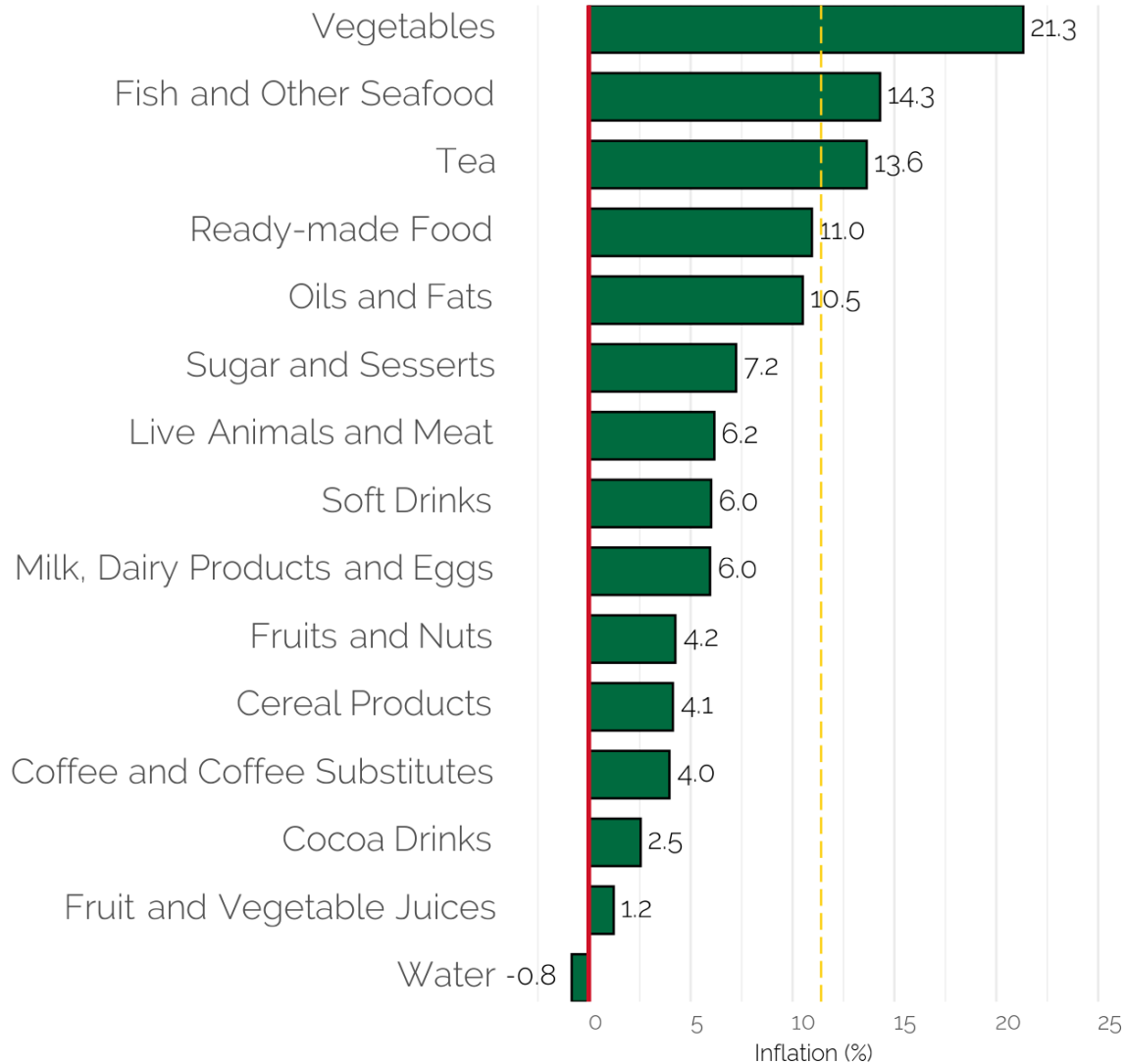
- Food inflation was 11.4%
 - Last month this was 13.7%
 - 8 months before March this was on average 7.9%
 - Month-on-month Food inflation was -1.1%.
- Non-food Inflation was 9.9%
 - Last month this was 9.7%
 - 8 months before March this was on 7.8%
- Inflation for locally produced items was 12.6%
- Inflation for imported items was 4.8%

Disaggregation of year-on-year inflation by Division

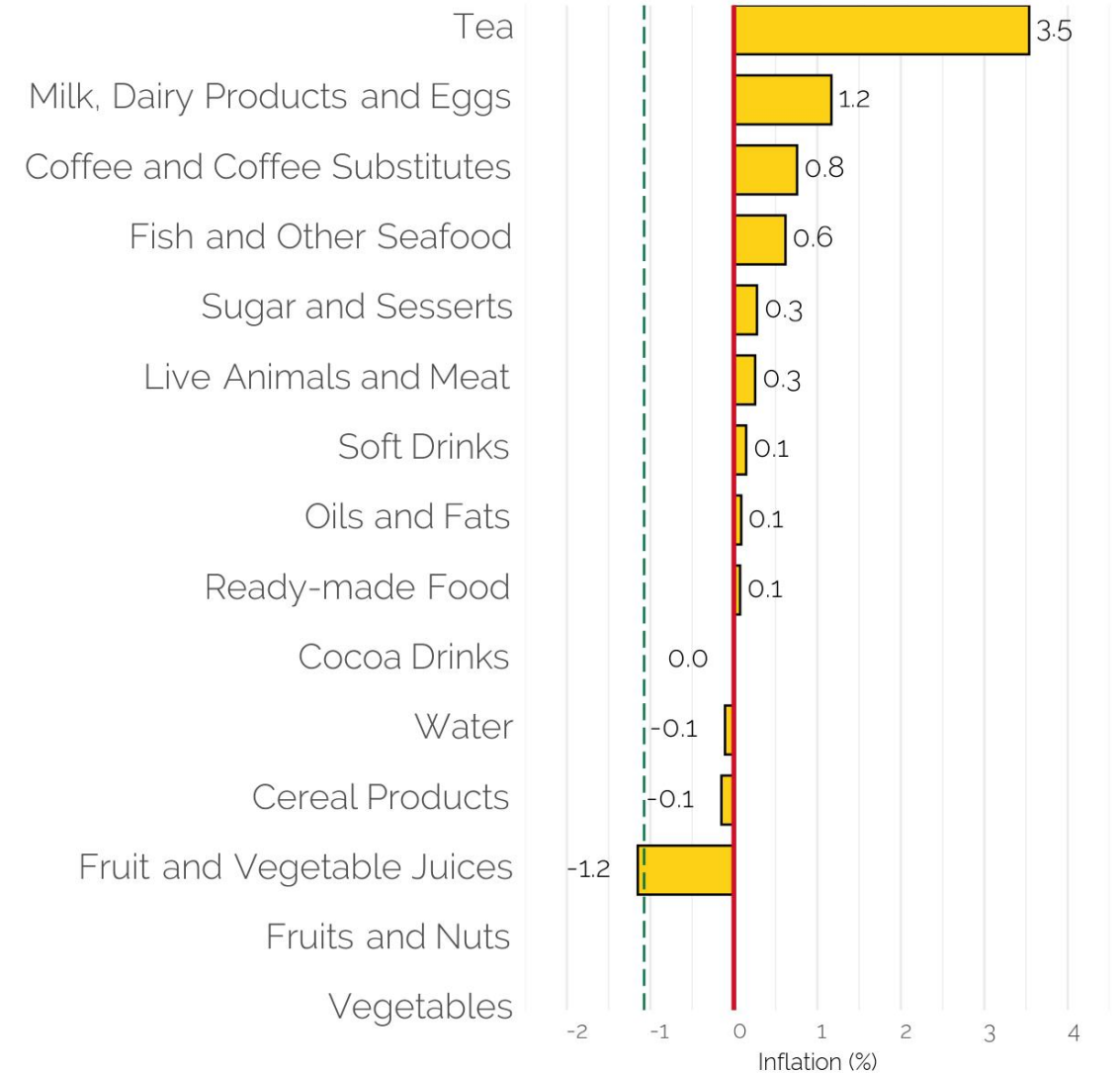


Disaggregation of YoY and MoM Food-inflation by Subclass

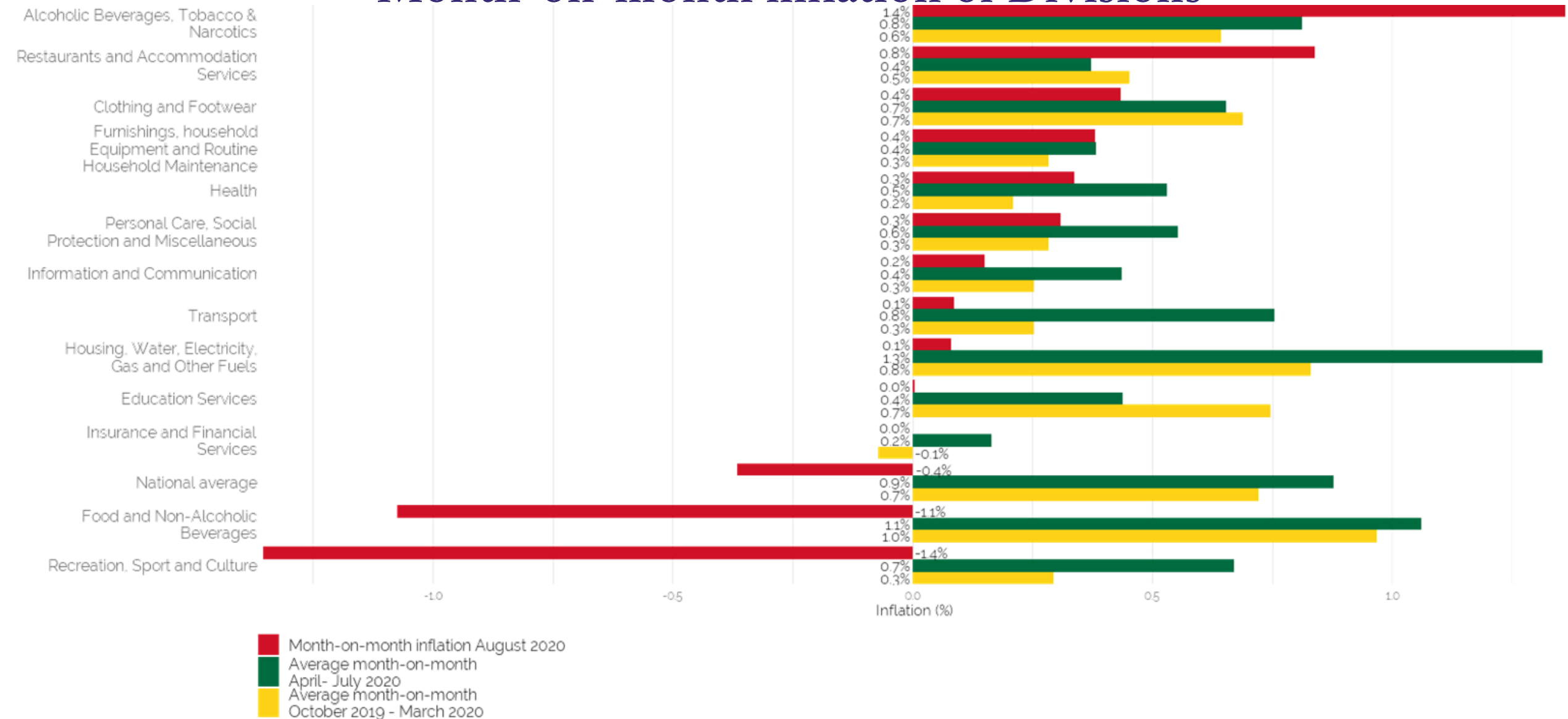
Year-on-year food inflation Aug 2020



Month-on-month food inflation Aug 2020



Month-on-month inflation of Divisions

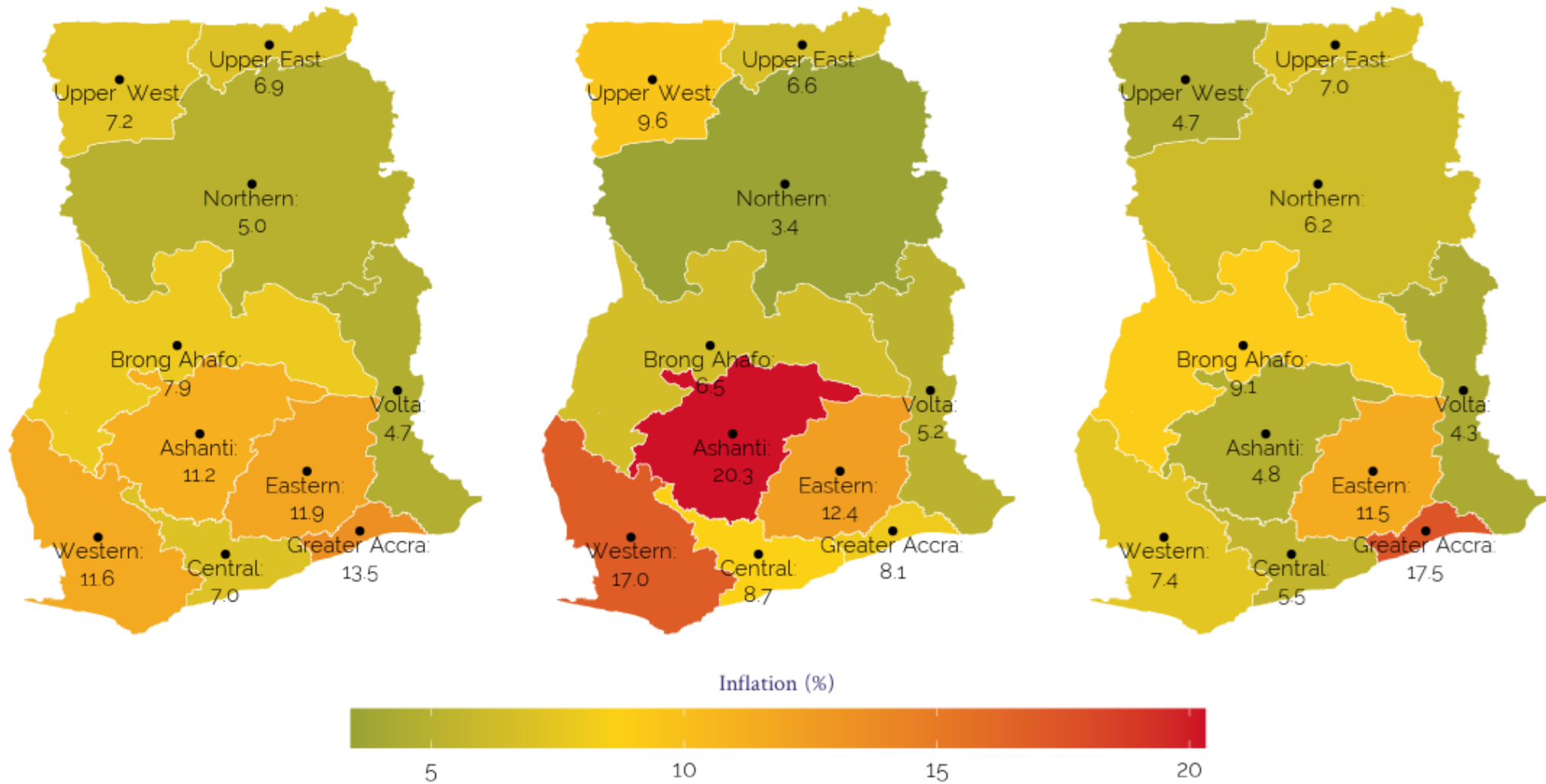


August 2020 regional rates of inflation

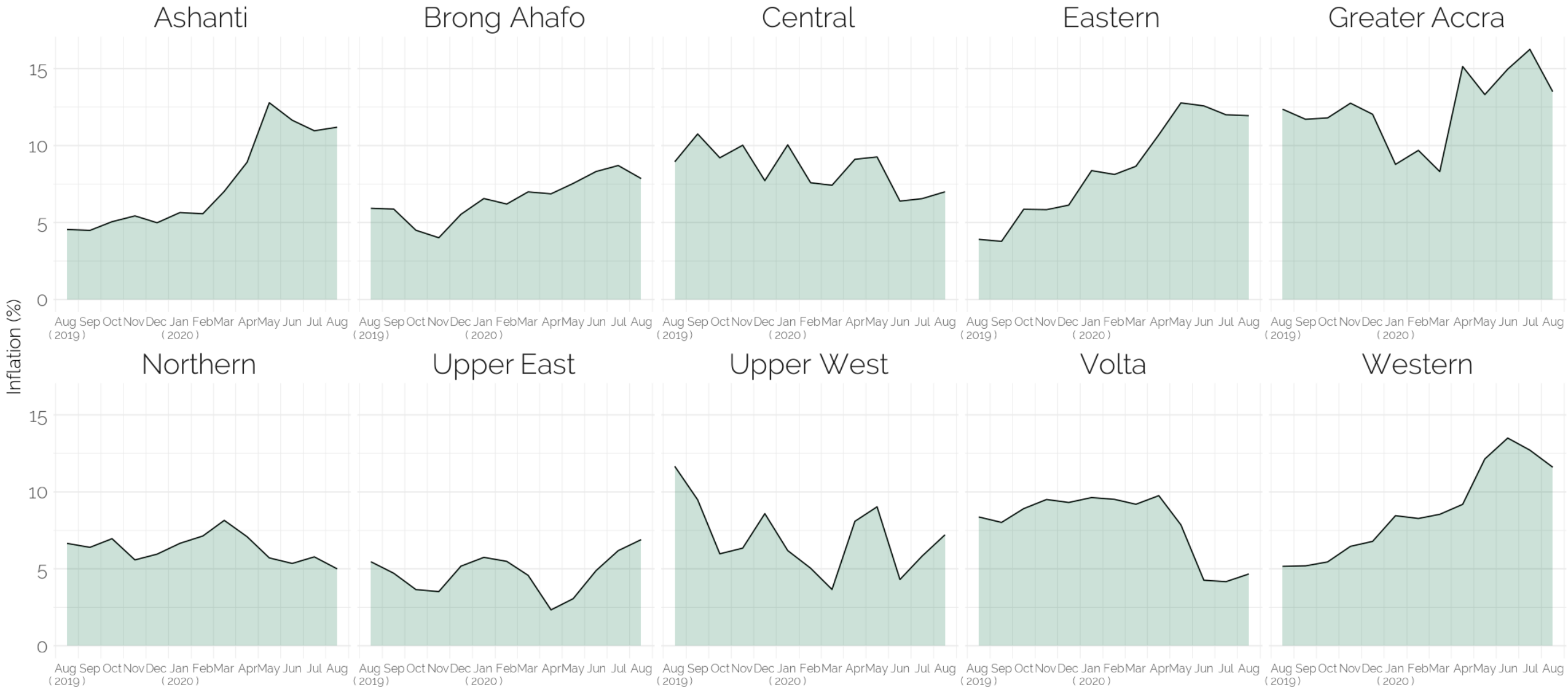
Overall inflation

Food inflation

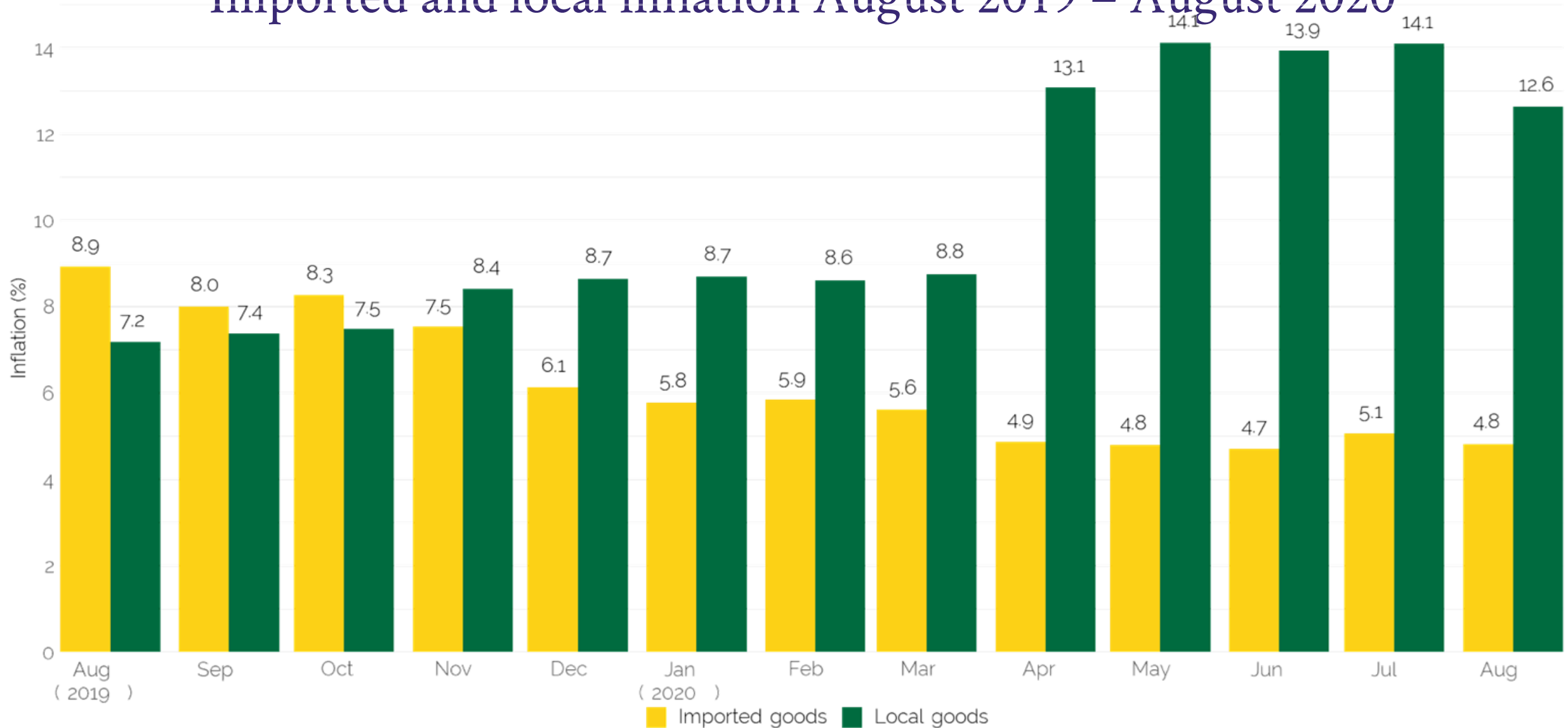
Non-Food inflation



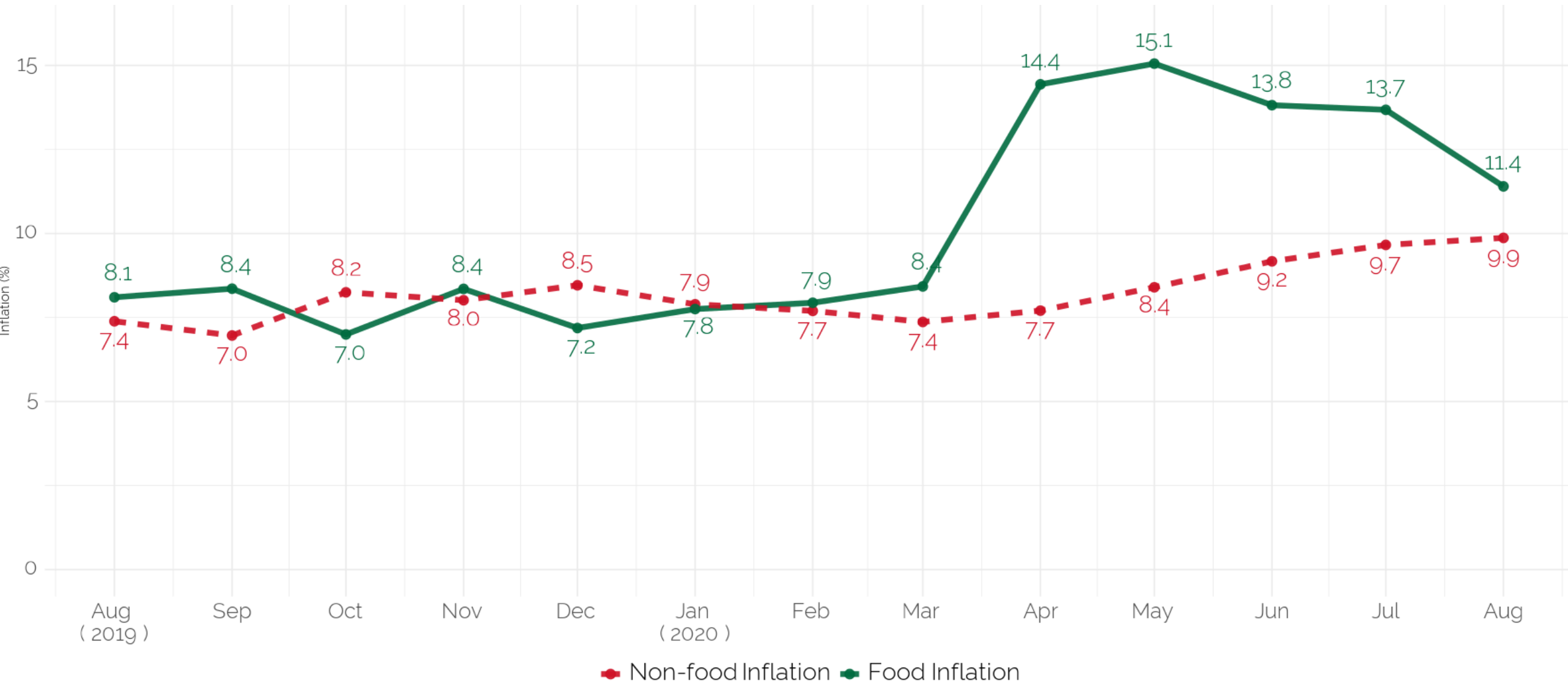
YoY regional rates of inflation for August 2019 – August 2020



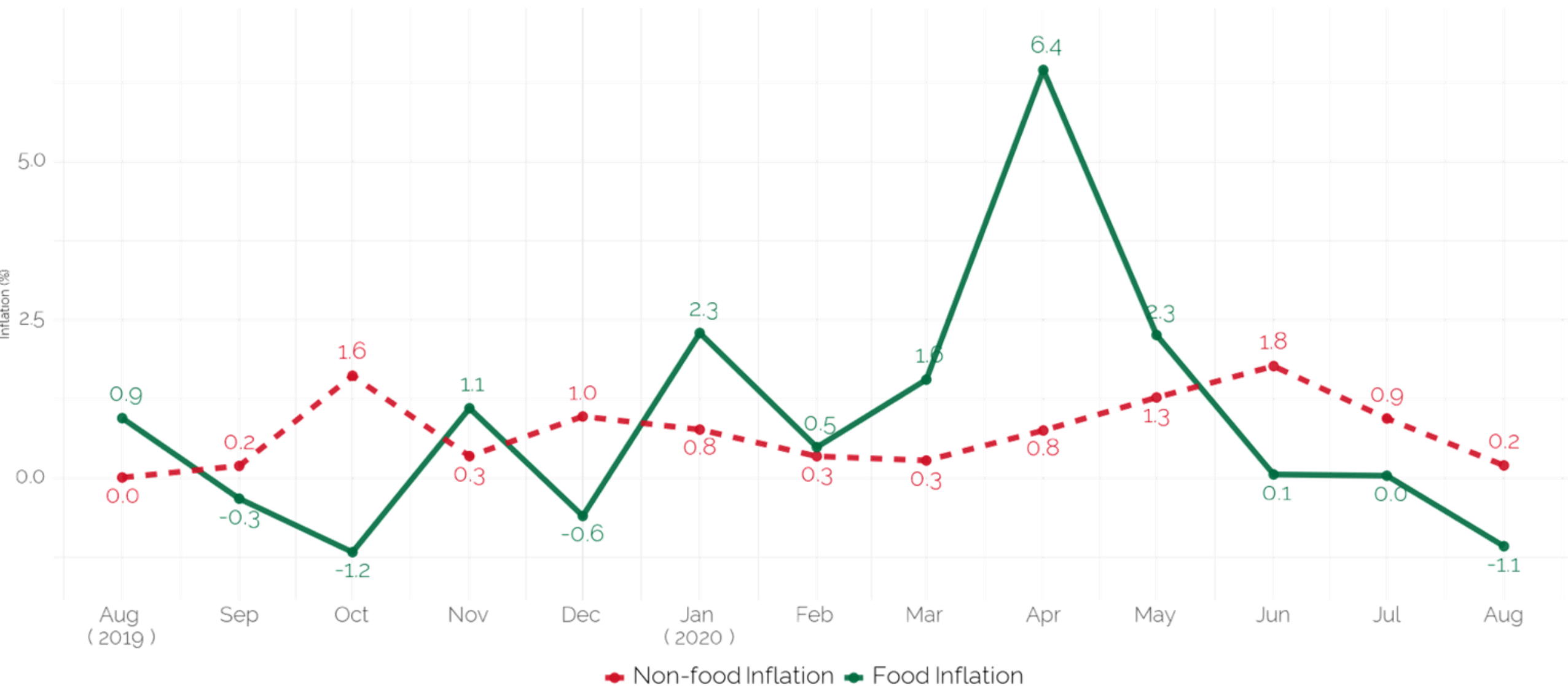
Imported and local inflation August 2019 – August 2020



Food and Non-Food year-on-year inflation August 2019 – August 2020



Food and Non-Food month-on-month inflation August 2019 – August 2020



Disaggregation of inflation in Greater Accra for August 2020

Year-on-year inflation (%), Greater Accra Region

Greater Accra Region	Weight	(%)
Housing, Water, Electricity, Gas	3.8	39.1
Transport	4.0	13.2
Recreation, Sport and Culture	0.7	11.7
Clothing and Footwear	1.9	10.4
Education Services	2.8	8.2
Food and Non-Alcoholic Beverages	11.9	8.1
Health	0.2	7.5
Alcoholic Beverages, Tobacco and Narcotics	0.5	7.3
Information and Communication	1.3	7.2
Personal care and Miscellaneous Goods	0.7	5.3
Household Equipment and Maintenance	0.8	4.9
Greater Accra - Overall		13.7

Year-on-year Food inflation (%) Greater Accra Region

Greater Accra Region - Food	Weight	(%)
Tea	0.0	22.2
Fish and Other Seafood	1.7	22.0
Vegetables	2.5	14.1
Oils and Fats	0.3	10.6
Live Animals and Meat	0.9	8.0
Milk, Dairy Products and Eggs	0.4	7.1
Ready-made Food	2.9	6.8
Sugar and Sesserts	0.2	6.6
Cereal Products	2.1	5.8
Soft Drinks	0.2	4.6
Coffee and Coffee Substitutes	0.0	0.0
Fruit and Vegetable Juices	0.1	-0.8
Water	0.1	-2.7
Fruits and Nuts	0.4	-8.7
Greater Accra - Food		8.1

Highlights

1. Year-on-year (August 2019 - August 2020) inflation was 10.5%.
2. Month-on-month (July 2020 - August 2020) inflation was -0.4%.
3. Variation between food (11.4%) and non-food Food inflation (9.9%) was 1.5%.
4. Difference between locally produced items (12.6%) and imported items (4.8%) was 7.8%.
5. Month-on-month (July 2020 - August 2020) Food inflation was -1.1%. This drives the total negative month-on-month.
6. National year-on-year inflation for August 2020 was 10.5%. The month-on-month inflation rate of negative 0.4% indicates that prices actually decreased slightly in the last month. This is driven by negative month-on-month food inflation (-1.1%). Furthermore, the contribution of food items (47.9%) to total year-on-year inflation is lower than previous months and similar to the months prior to COVID-19.

End of Press Release for August 2020 Consumer Price Index

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PRESS RELEASE



Consumer Price Index and Inflation

August 2020